July/August 2008

Trendlines

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Thriving in Global Competition

Department of Workforce Services

Trendlines

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Occupational Outlook and Wage Data Issue

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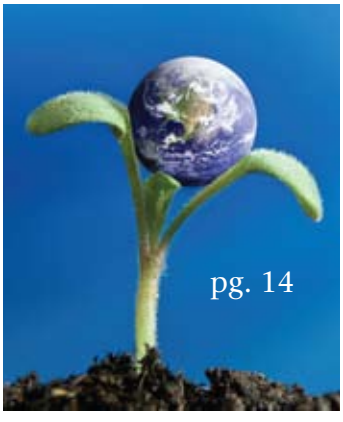

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contents

Key Industries:

There will be a continual need for K-12 teachers as Utah's current baby boom ages its way through the education system over the next 15 years.

The healthcare industry has experienced steady job growth throughout this decade of at least 4 percent per year, with total growth of 37 percent since 2000.

Time to Emphasize Utah's

Utah has unique features that give its economy strength as it generally transcends the national level. Yet, Utah does not function in isolation and is influenced by national trends just like any other state. This is why the current overall slowing of the Utah economy is both expected and unavoidable.

But just like boom economies, slowing economies also have a limit. There is a foundation that downturns bump up against that causes them to halt. Certain industries supply that foundation; industries that are less vulnerable to changes in the business cycle and instead more sensitive to local population growth or demographic factors.

For example, Utah's current baby boom sets the stage for K-12 teacher growth rates to rise consistently as this cohort ages its way through the Utah education system over the next 15 years. Therefore, the government sector will add jobs, regardless of what the overall national business cycle might suggest. Government yearly employment growth rates are generally consistent at between 1 percent and 1.5 percent (Utah's current rate is 1.5 percent). This amounts to 3,300 new jobs added over the past year, with most of this at or below the county level (cities, school districts, municipal districts).

Healthcare is another industry that is relatively independent of the business cycle, being more in tune with the local demographics or population growth. This industry has experienced steady job growth throughout this decade of at least 4 percent per year, with total growth of 37 percent since 2000. Across that time, Utah's overall population has grown by 21 percent. So, population gains, and not the overall business cycle, are the key driver of this industry. Utah's healthcare industry is also regional, serving the populations of neighboring states. This, high birth rates, and aging baby boomers empower this higher-than-the-Utah-population growth rate. These are key industries that will help sustain Utah's economy through slow times.

Economic Foundation

did you know...

- Oracle Corp. announced that it will build a $285-million facility in West Jordan for global information technology. The facility will have about 100 employees. http://deseretnews.com/article/1,5143,700227312,00.html

- The 201 Commerce Center is touted as the largest light industrial and manufacturing office park to come to the Intermountain West. http://deseretnews.com/article/1,5143,700224174,00.html

- Utah is in the midst of its worst home-building downturn in nearly 30 years. http://deseretnews.com/article/1,5143,700225950,00.html

What jobs are in demand in the near future?

Career decisions made when first entering the labor market, or at any point over a potential 30-to-50-year working life, are made in as many different ways as there are people. One important piece of information labor economists try to provide to assist job seekers—in choosing an occupation, pursuing training and developing skills—is the demand outlook for different occupations in the near future.

Every two years the Bureau of Labor Statistics (BLS) updates the projected openings for occupations. The latest outlook was released at the end of 2007, covering the decade 2006 through 2016. This is an attempt by national labor force economists to provide their best estimate of the demand for about 750 occupations in the coming decade.

The projected demand for a given occupation is composed of the number of replacement job openings plus the new jobs created by the expanding economy. From 2006 to 2016 the BLS economists expect the economy to generate nearly 16 million new jobs and an additional 33.4 million replacement job openings, bringing total job openings to almost 49 million.

For every new job opening due to economic growth there are 2.1 replacement jobs available. Replacement jobs are those that open up due to retirement or any other reason people leave employment.

The near-future prospect for job opportunities is estimated by projecting ongoing economic trends. These trends can and do change unexpectedly because of shifts in technology, consumer preferences, trade patterns, or other unpredictable events. Therefore, projected job demand, while very useful in determining future job prospects, is uncertain as actual economic events unfold.

The demand estimates show expected job growth or decline by occupation. The best opportunities for job seekers are found in expanding industries where new and replacement job openings are relatively plentiful. Of course job-hunting success is heavily influenced by competition—how many people desire to do a particular type of work.

The best jobs not only have many openings, they also provide the income necessary to meet personal and family financial goals. The following table provides a list of 20 occupations with the most projected openings that also have median annual earnings higher than at least half of all workers. There are different training, educational and experience requirements for the various jobs listed.

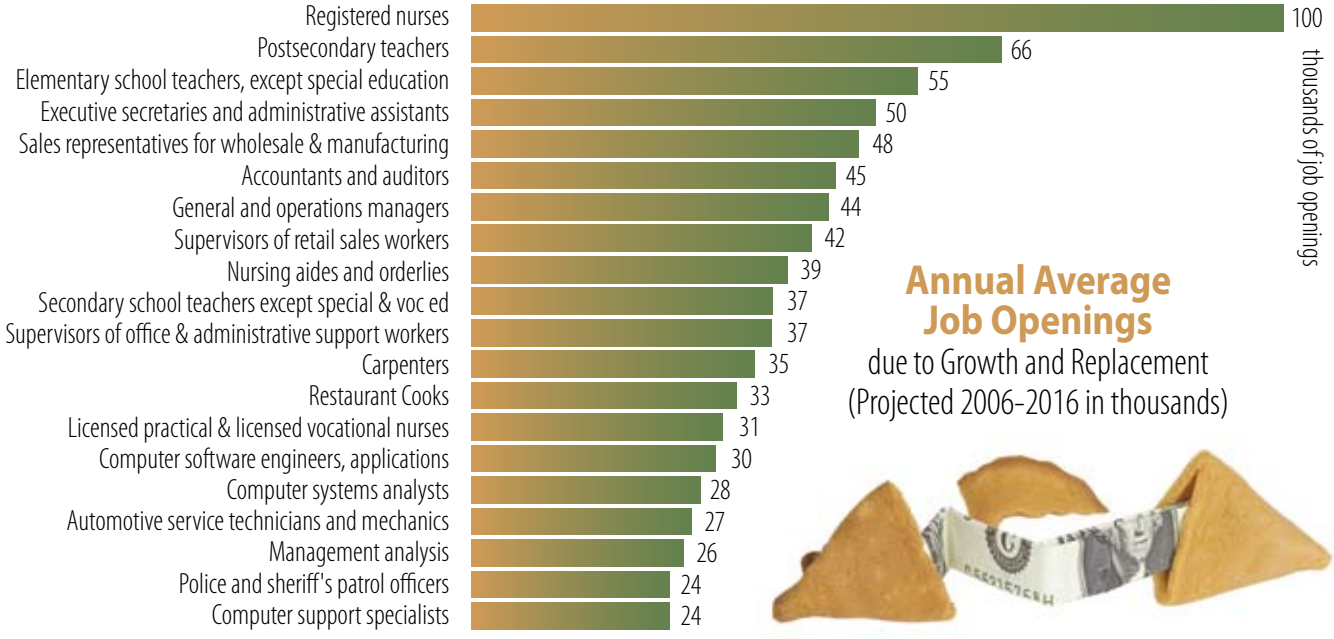
The table indicates the usual source of education and training needed to acquire entry-level skills for each of these occupations.

A detailed article and outlook for all 750 occupations is available at the following link:

- http://www.bls.gov/opub/mlr/2007/11/art5full.pdf

Other articles concerning BLS 2006 to 2016 economic projections are found at this link:

- http://www.bls.gov/opub/mlr/2007/11/contents.htm



Occupation	Usual Source of Education or Training	Mean Annual Earnings 2006
Registered nurses	Associate Degree	$62,480
Postsecondary teachers	Doctoral Degree	$69,644
Elementary school teachers, except special education	Bachelor's degree	$50,040
Executive secretaries and administrative assistants	Related work experience	$40,700
Sales representatives for wholesale & manufacturing	Related work experience	$60,190
Accountants and auditors	Bachelor's degree	$63,180
General and operations managers	Bachelor's degree or higher	$103,780
Supervisors of retail sales workers	Related work experience	$39,210
Nursing aides and orderlies	Postsecondary vocational training	$23,920
Secondary school teachers except special & voc ed	Bachelor's degree	$52,450
Supervisors of office & administrative support workers	Related work experience	$47,620
Carpenters	Long-term on-the-job training	$41,260
Restaurant Cooks	Long-term on-the-job training	$21,960
Licensed practical & licensed vocational nurses	Postsecondary vocational training	$38,940
Computer software engineers, applications	Bachelor's degree	$85,660
Computer systems analysts	Bachelor's degree	$75,890
Automotive service technicians and mechanics	Postsecondary vocational training	$36,480
Management analysis	Bachelor's degree	$80,460
Police and sheriff's patrol officers	Long-term on-the-job training	$50,670
Computer support specialists	Associate Degree	$45,300

Source: U.S. Bureau of Labor Statistics

A Quick Peek in the Crystal Ball

Utah Occupational Projections Preliminary Results

Business economist Edgar R. Fiedler once said, "He who lives by the crystal ball soon learns to eat ground glass." It's certainly true that projecting economic activity is a difficult endeavor fraught with the inherent pitfalls of forecasting in general. That's why at the Utah Department of Workforce Services (DWS), we follow Fiedler's advice, "If you have to forecast, forecast often."

Every two years, economists at DWS produce occupational projections for Utah. Why? There are basically two reasons: to provide career decision-makers with demand-based information and to help educators determine which courses of study would most benefit the current and upcoming workforce.

While the projections have not been finalized at this writing, preliminary figures do provide a glimpse of predicted labor force changes between the base year of 2006 and 2016.

Demand Side Economics

First, a word of caution: These projections only provide information on the "demand" side of the labor market equation. Also, remember that openings are created in two ways. Replacement job openings are created when people leave an occupation for retirement, for a new occupation, to sail around the world, or whatever reason. New openings are generated when companies expand or move to the area (growth). Because employers need to replace workers leaving an occupation, even declining occupations (like farming) will

still have openings available. In fact, in a slowing economy, replacement job openings can exceed openings due to growth.

What Do the Projections Say?

The implications of the current set of projections are not all that much different from those of the past set of projections. Three major occupational groups are expected to continue their reign as the fastest-growing categories—healthcare support, computer/mathematical, and healthcare practitioners/technical occupations. In addition, during this round of projections, community/social services occupations joined the previously mentioned triumvirate.

Not surprisingly, occupations with the highest growth rates (and a significant number of openings) are included in previously mentioned groups—home health aides, computer software engineers, network systems analysts/data communications analysts, mental health/substance abuse social workers, and medical assistants.

Just the Openings

When the number of openings is examined, a different picture emerges. It makes sense that occupations with substantial current employment will show large numbers of projected openings. This is certainly the case in this round of projections.

Office/administrative support and sales occupations currently maintain the largest employment levels in Utah—and are projected to show the most openings ten years out. By detailed occupation, retail sales persons, customer services representatives, cashiers, waiters/waitresses, office clerks, and fast food workers rise to the top of the list for most new openings. They're big occupations, they create lots of new openings as the economy expands, and because they are typically "starter" jobs, they generate lots of replacement openings.

Look to the Stars ★

In an effort to help in the task of career decision-making, once the projections are finalized, we will apply "star" ratings by occupation. Yes, it's just like a movie review—five stars are best. These ratings are determined based on the number openings, the rate of job growth, and wages. So stayed tuned for more information to help your children (or yourself) make a great career choice. In the meantime, check out our career information at: http://jobs.utah.gov/opencms/wi/occi.html

"If you have to forecast, forecast often."

—Edgar R. Fiedler

Utah's Occupational Outlook

Through the Training and Wage Looking Glass

Not all jobs in Utah require a Bachelor's degree, but these high-skill jobs do pay well. An analysis of the training level and wages of Utah's jobs now and in 2016 corroborates this statement. This is not new or radical news. The usual training levels of Utah jobs and their current pay reflect the trends in the national labor market. First, let's look at the training and the job picture, followed by an evaluation of the average pay associated with training levels.

The percent of total jobs in Utah requiring a Bachelor's degree or higher is about 20 percent, or one in five jobs. In the base year (2006) of the occupational projections about 20.4 percent of the total 1.4 million jobs in Utah called for a Bachelor's or higher degree. In 2016, the Bachelor's percentage increases slightly to 20.8 percent. Total jobs in 2016 are projected to reach the 1.8 million mark.

A training code is assigned, by the U.S. Bureau of Labor Statistics, to each of the approximately 750 occupations in the projections. These training codes range from virtually no training other than the observation of another worker on-the-job to significant formal training where a professional degree is required (e.g. attorney). For the purposes of clarity and ease of understanding, the top five training level codes were combined into a single group designated as Bachelor's degree or higher.

The other training levels include associate degrees, applied technology programs, work experience—the school of hard knocks, long-term on-the-job training (a year or more of on-the-job training or apprenticeship which may include formal classroom or skill training), moderate-term on-the-job training (one month to one year), and short-term on-the-job training (less than one month).

Clearly, most of the jobs in Utah fall in the short-term on-the-job training category, with 32.7 percent of jobs in 2006, and 31.9 percent of jobs in 2016. Moderate-term on-the-job training is required of about 20.5 percent of jobs in the state, both in 2006 and 2016. Long-term on-the-job occupations, which are higher skilled because of training, apprenticeship and work experience, account for an 8-percent slice of Utah jobs in 2006 and 2016. Occupations that require work experience add to 10 percent of the total, and usually lead, over time, to supervisory-type positions.

Jobs in occupations calling for post-secondary training (beyond high school) include those in the applied technology occupations (about 4.8 percent of the total) and associate degree occupations, which accounted for 3.5 percent in 2006 and 3.7 percent in 2016.

The major thrust of this training level analysis, comparing 2006 and 2016, is simple. The trend is toward more training. That means the economy, at least for the better jobs, stresses more post-secondary training. To make the point even clearer, let's look at the training requirements of new jobs between 2006 and 2016 (not shown in the pie charts). Of the roughly 400,000 new jobs in Utah through 2016, 32 percent will call for either applied technology training, an associate degree, or a Bachelor's degree or higher. The biggest difference will be in the Bachelor's degree category where 22 percent of the new jobs will be. About 9 percent of new positions will be in occupations needing applied technology or an associate degree.

More training enhances worker productivity, which enables our economy to be more competitive in world markets. And, even more important to the individual, more training yields the potential for a bigger paycheck, which leads us into the next topic, the relationship between training and higher wages.

The old adage of the more you learn, the more you earn, is basically true. Workers qualifying for occupations that call for virtually no training, those that are classified as short-term on-the-job training, can expect to earn an average of about $10.40 per hour (2006 wages). This is a far cry from those that obtain a Bachelor's degree or higher that average $32.70 per hour. These are averages; some workers will earn less and some a great deal more.

The point is clear, more education enhances your ability to earn more. Another very important point needs to be made here. It is obvious from the data there is a relationship between training and wage. What is very important, but less apparent, is that earning power is limited if you lack post-secondary training. Earning potential is less restricted if you get more training.

For examples of the occupations in the training levels see:

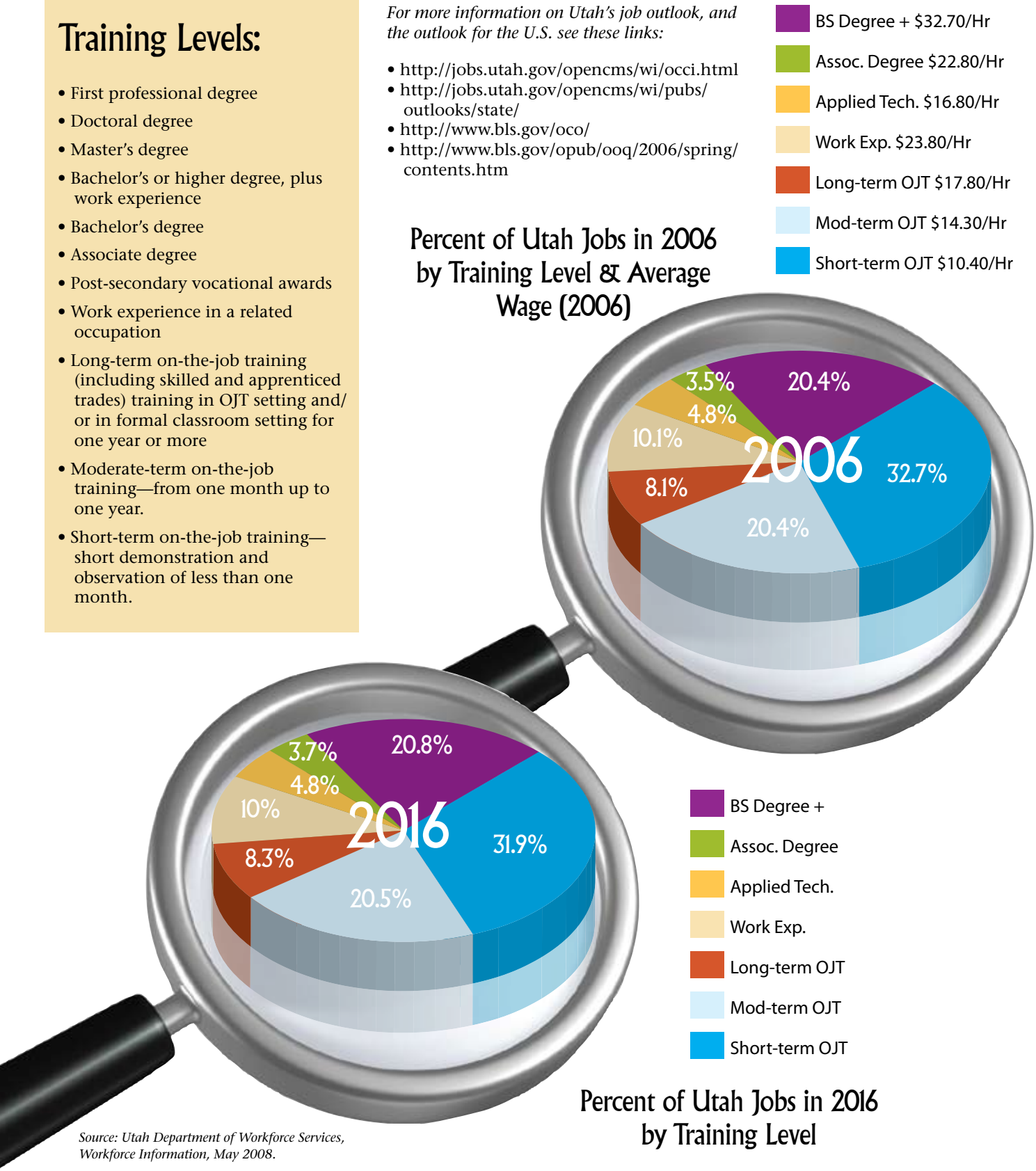
- http://jobs.utah.gov/opencms/wi/pubs/trendlines/marapr08/longtermojt.xls
- http://jobs.utah.gov/opencms/wi/pubs/trendlines/marapr08/moderatetermojt.xls
- http://jobs.utah.gov/opencms/wi/pubs/trendlines/marapr08/workexperience.xls
- http://jobs.utah.gov/opencms/wi/pubs/trendlines/marapr08/shorttermojt.xls
- http://jobs.utah.gov/opencms/wi/pubs/trendlines/marapr08/bachelorshigher.xls

Training Levels:

- First professional degree
- Doctoral degree
- Master's degree
- Bachelor's or higher degree, plus work experience
- Bachelor's degree
- Associate degree
- Post-secondary vocational awards
- Work experience in a related occupation
- Long-term on-the-job training (including skilled and apprenticed trades) training in OJT setting and/or in formal classroom setting for one year or more
- Moderate-term on-the-job training—from one month up to one year.
- Short-term on-the-job training—short demonstration and observation of less than one month.

For more information on Utah's job outlook, and the outlook for the U.S. see these links:

- http://jobs.utah.gov/opencms/wi/occi.html
- http://jobs.utah.gov/opencms/wi/pubs/outlooks/state/
- http://www.bls.gov/oco/
- http://www.bls.gov/opub/ooq/2006/spring/contents.htm



Source: Utah Department of Workforce Services, Workforce Information, May 2008.

Occupational Wage$

Few Utah labor market statistics elicit as much interest in the general public as occupational wages estimates. Their annual release, coinciding with the release of similar data nationwide, provokes thoughtful inquiries as well as some hair pulling—usually when looking at our data and then at your paycheck. For this year's release we want to examine the data from a number of angles in order to give you a better picture of how we arrive at these figures and what they mean.

The Wisdom of Crowds

Occupational wage information comes from the Occupational Employment Statistics (OES) survey of the U.S. Department of Labor's Bureau of Labor Statistics (BLS). For Utah, the OES survey covers roughly 3,500 establishments and is conducted by the Department of Workforce Services (DWS). With the data that is returned by employers, the BLS and DWS create statistical estimates of wages for more than 600 different occupations. The idea being that by taking a snapshot of occupations across the economy we will end up with estimated wage rates that are representative of the "going wage rate" in the economy.

So there are really two important points to take here: one, this data is collected from a survey, thus the results can deviate from reality for all the reasons a survey can be flawed (who hasn't fibbed when filling out a survey?); and two, since we use a survey there is a considerable time lag involved between gathering, cleaning, processing, and publishing the data. Even with these two challenges, the data published here is the best and most comprehensive wage information available in the nation.

Making Numbers Talk

Of course, there are a number of ways to interpret the wage data. One, which we alluded to previously, is simply to look up the wage of a particular occupation and compare it to what you make. You can also look at the top ten and bottom ten paying occupations in the state—this seems to be popular with the media. However, there are other ways to slice and dice the data that can be quite revealing.

For example, one interesting story that leaps from the data is how certain occupations are paid over different industries. For example, executive secretaries and administrative assistants work in nearly every industry, but they are paid very differently in each. The latest data shows that executive secretaries in support services for mining are the best paid of all secretaries, with an average annual pay of $51,920. Those working in furniture and related product manufacturing were the least well off, making on average $31,740 a year. However, other occupations didn't witness such a spread. General office clerks posted a high average annual wage of $27,790 in computer and electronic product manufacturing and a low of $18,370 in performing arts, spectator sports and related industries.

You're in the Driver's Seat

With the release of the latest OES data, you are truly put in the driver's seat. From our web site you can compare and contrast wages between occupations and different geographies here in Utah. Curious what the market is paying on average for your occupation? Want to know what your competitors may be paying their workers? The information is at your fingertips.

Resources

- Utah Occupational Wages: http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do

Top Ten and Bottom Ten Occupations by Wage in Utah

Occupation	Hourly Mean	Hourly Median	Annual Mean	Annual Median	Typical Education Required
Chief Executives	$72.49		$150,770		Bachelor's plus experience
Dentists, General	$62.01	$55.13	$128,980	$114,680	First professional degree
Lawyers	$54.58	$44.87	$113,520	$93,330	First professional degree
Optometrists	$51.08	$44.51	$106,250	$92,580	First professional degree
Engineering Managers	$49.77	$48.41	$103,520	$100,680	Bachelor's plus experience
Pharmacists	$48.29	$48.88	$100,440	$101,670	First professional degree
Sales Managers	$47.60	$41.61	$99,000	$86,540	Bachelor's plus experience
Computer and Information Systems Managers	$45.53	$43.40	$94,700	$90,260	Bachelor's plus experience
Physicists	$44.91	$42.72	$93,420	$88,850	Doctoral degree
Human Resources Managers, All Other	$44.27	$39.85	$92,070	$82,890	Bachelor's plus experience

Top

Occupation	Hourly Mean	Hourly Median	Annual Mean	Annual Median	Typical Education Required
Lifeguards, Ski Patrol, and Other Recreational Protective Service Workers	$7.95	$7.52	$16,550	$15,640	Short–term on–the–job training
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	$7.92	$7.75	$16,480	$16,130	Short–term on–the–job training
Dining Room and Cafeteria Attendants and Bartender Helpers	$7.92	$7.35	$16,470	$15,290	Short–term on–the–job training
Food Preparation and Serving Related Workers, All Other	$7.89	$7.72	$16,420	$16,060	Short–term on–the–job training
Ushers, Lobby Attendants, and Ticket Takers	$7.82	$7.72	$16,260	$16,050	Short–term on–the–job training
Dishwashers	$7.70	$7.73	$16,020	$16,080	Short–term on–the–job training
Cooks, Fast Food	$7.69	$7.36	$16,000	$15,320	Short–term on–the–job training
Combined Food Preparation and Serving Workers, Including Fast Food	$7.58	$7.30	$15,770	$15,180	Short–term on–the–job training
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	$7.57	$7.23	$15,740	$15,030	Short–term on–the–job training
Baggage Porters and Bellhops	$7.40	$6.99	$15,390	$14,530	Short–term on–the–job training

Bottom

Source: Occupational Employment Statistics, 2007, Utah Department of Workforce Services.

Thriving in Global Competition

Let's identify global competition as the idea that rapid advancements in technologies have allowed for the immediate emergence of huge segments of the world's formerly disconnected population to become a globally interdependent and competitive marketplace. These advancements have propelled the worldwide movement of information, capital, labor, materials, ideas, and political interaction. It creates both opportunities and concerns.

One domestic concern is that the United States' top position in the economic world, and its labor force, is now capable of being challenged by the world's entire population. You as an individual should focus upon your educational attainment, as personal skill development is the key to success when facing increased competition.

The previous primary United States economic foundation of manufactured goods—one that supported a vast proportion of America's labor with a limited educational requirement—has waned. Manufacturing's labor needs have diminished both by increased automation in the production process and overseas movement of production utilizing newly available low-cost labor.

Therefore, America's economy has moved more and more toward a service-based foundation. The service-based focus is not upon mass labor and brawn, but collective individuality and intelligence. Needless to say, educational attainment becomes a higher priority in this emerging structure.

Various measures of income suggest that college graduates make between 75 and 100 percent more than high school graduates. The foundation for workers to make this movement into advanced education is laid in the K-12 educational structure.

One-fifth of today's jobs require a bachelor's degree or higher as a foundational prerequisite. However, one-fourth of the new jobs created over the next ten years will require a bachelor's degree. More emphasis is being placed upon knowledge-based jobs.

America's labor force is aging. This creates both opportunities and challenges. Within 20 years, America's labor market stands to be exiting more domestic workers than are entering. This labor vacuum will create ample opportunities for young workers to succeed and advance. But the emerging globalization of labor and labor markets also presents the business community alternative options—like importing educated labor, or increasing the movement of jobs overseas, even jobs with high education requirements.

This interaction with the world's expanding labor markets is currently accelerating, but the time when the business community will face this labor vacuum is still roughly 20 years away. However, the time to establish the educational abilities of young workers who will face this impact 20 years from now—is now! The education currently being attained by our children is the basis of their attractiveness 20 years henceforth as they navigate a globalized economy.

Facing increased competition globally, it's a good idea to focus on education and personal skill development to be successful.

5K a Week; No Experience Necessary?

Sales occupations can be lucrative but due to the ever-changing nature of most economies they are subject to volatility. Compensation for sales jobs normally involves some type of commission. Some sales jobs are exclusively commission-based, which has its merits. It can be good for a company to pay only commission because they are not spending money on poor sales performers. It can also be good for employees because they are paid solely on performance. As with all commissioned occupations there is a more direct link between performance and compensation. An employee could reap the same benefits in a commissioned occupation with base pay. So, in a sense, commission-only pay is generally good for the business and bad for the employee if they are risk averse.

In general, people who are in sales occupations are persuasive and goal-oriented people. They should have excellent communication and interpersonal skills. Because it may often take many months to complete a sale, the occupation requires perseverance and determination. Wholesale sales occupations are differentiated by whether or not the products are technical/scientific products. There are an estimated 21,000 wholesale sales representatives in Utah and of those there are approximately 5,300 technical sales representatives. Individuals in this occupation sell technical or scientific products to other businesses. Technical sales representatives are the sales representative par excellence.

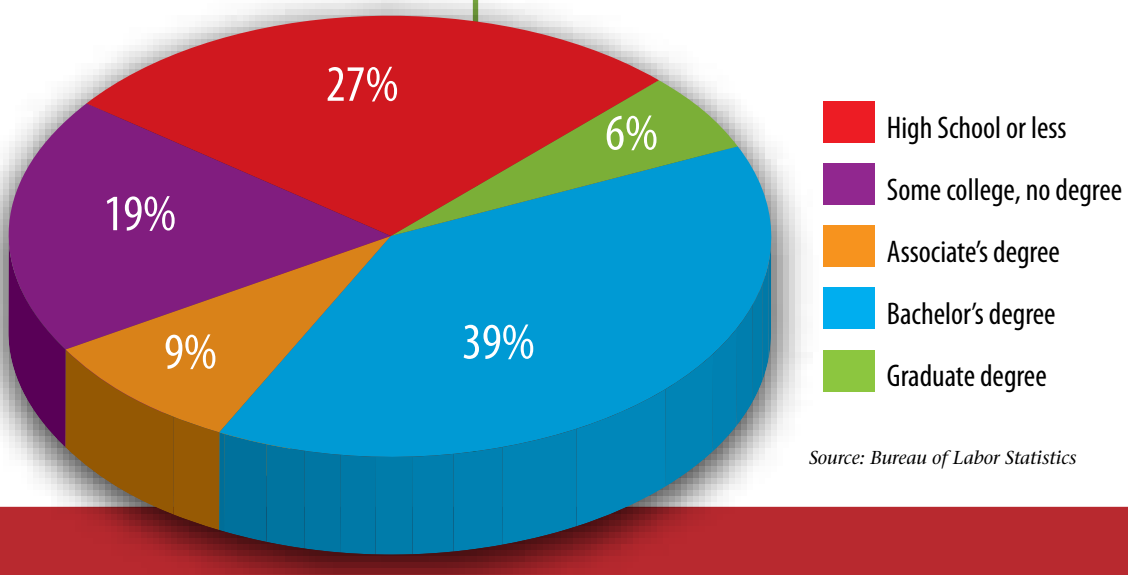
For all wholesale sales representatives, approximately 53 percent have a post-secondary degree. The Standard Occupational Classification system defines a technical sales representative, in part, as requiring at least two years of post-secondary education but in the job market four or more years of post-secondary education is often required. The occupation is highly specialized and requires

a substantial amount of knowledge related to the product being sold. Technical sales representatives generally have a background in the field of products in which they are selling.

The sale of products or services is a pivotal aspect of the function of business and compensation is generally commensurate with this fact. Technical sales representatives earn a median wage of $30.00 per hour in Utah. This high wage coupled with an annual growth rate of 3.4 percent has led the Utah Department of Workforce Services to rate technical sales representatives a five-star occupation. This occupation is a good opportunity but job seekers should be cautious with commission-only pay rates.

For more information about this and other occupations please visit our web site at http://jobs.utah.gov/jsp/wi/utalmis/gotoOccinfo.do

Educational Attainment of All Wholesale Sales Representatives



Source: Bureau of Labor Statistics

Technical sales representatives earn a median wage of $30.00 per hour in Utah.

Economic Trajectories

Much ink is being spilled by authors around the world about the apparent slowdown of the United States' economy. That isn't hard to understand given the nearly daily dose of bad news regarding the country's financial system and housing market—not to mention the weakening dollar, record energy prices and rising food costs, among others. Utah, while slowing, is still among the best-performing states in the nation. This confluence of economic challenges leaves rural Utahns wondering what their fate will be if this latest slowdown indeed turns to recession.

Different Personalities

One rich source of clues is the area's previous experiences during national economic downturns. During the last two recessions, rural and urban counties in Utah followed similar trajectories—namely, down—but the character of those movements was quite unique. The economic slowdown of the early 1990s, which pushed the nation into recession, led to a steep decline in job growth in the state, but for rural Utah in particular—which went from a high of 4.9 percent in November 1989 to 0.8 percent in August 1990, compared to 5.4 in August 1990 to 2.2 percent in December 1991 for urban Utah. Moreover, these sharp job declines preceded those of urban Utah by nearly an entire year, intensifying the economic hurt.

Fast forward to the early years of this decade and once again a national recession crimped Utah's economy. This time the state—especially in the form of urban Utah—saw significant job losses. Rural Utahns, on the other hand, could justifiably laugh at those saying the economy began slowing in January of 2001. Their counties were already experiencing job losses in January of 1999, due principally to a sharp decline in the price of oil, but also from a slowdown in tourism—aggravated later by September 11th. Unfortunately, rural Utah's attempt to recover was hampered by the job losses just then gathering speed in the urban counties.

In both cases the fortunes of rural Utah improved when the state's urban area recovered. This only makes sense, as urban Utah is a prominent consumer of rural Utah's goods and services. That should give rural Utahns something to cheer for if they do experience a significant slowdown of their economies.

Reconciling Differences?

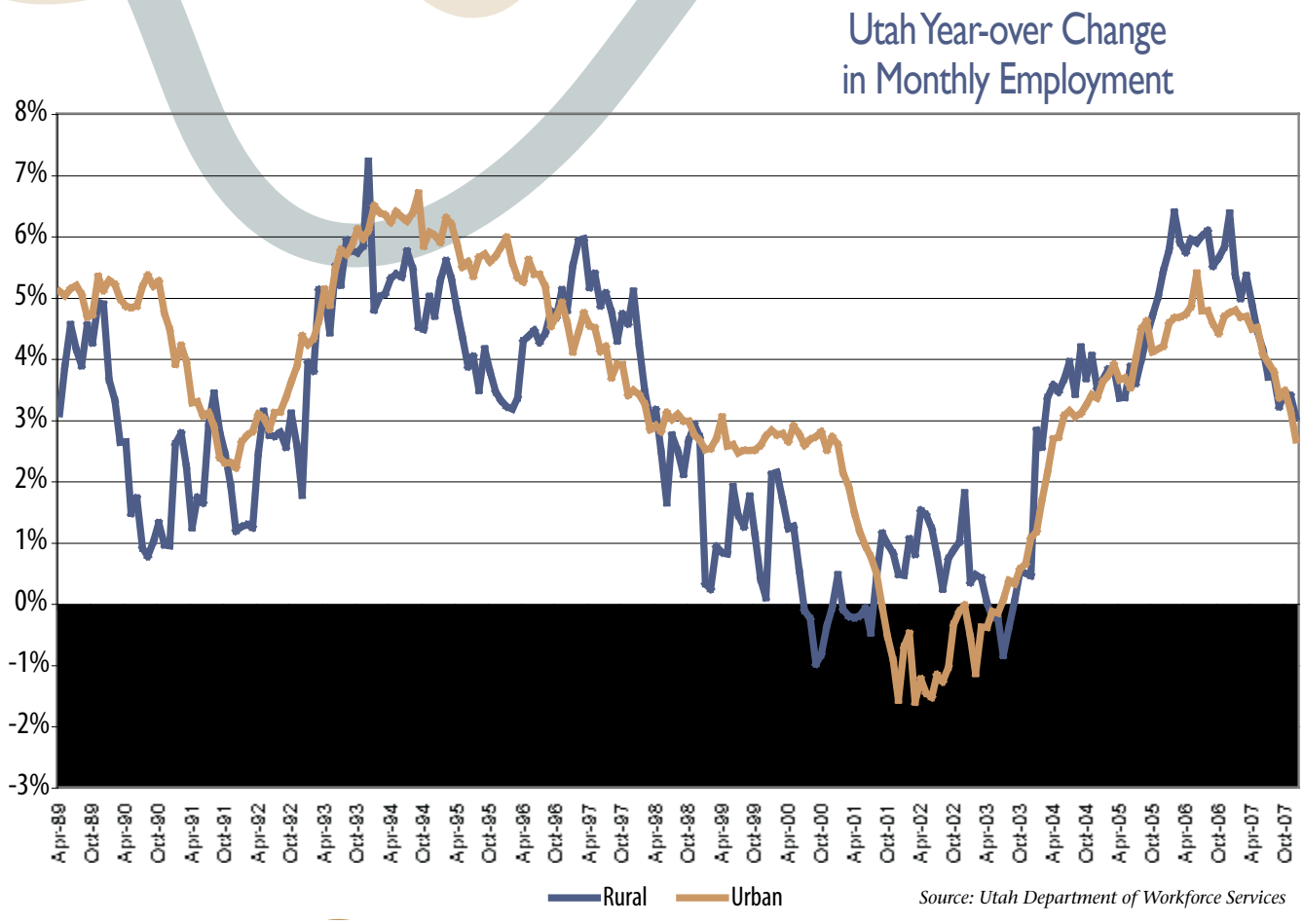
However, unlike the previous examples, the current situation appears to be different. Whereas the economic trajectories of the state's rural and urban areas were unique in previous downturns, this time they appear to be highly correlated. While rural year-over job growth outpaced that of urban areas in 2005 and 2006, it has softened at nearly the same speed as urban Utah. What does this congruence of trajectories mean for the state? It may be that Utah's rural counties have become closer linked to the urban core, bringing their economic cycles closer together. Just as likely, the energy boom may be masking the true decoupled nature of the two areas. Regardless, it appears that, in aggregate, rural and urban Utah will suffer similar fates if the national economy tips into recession; the major difference this time being that rural Utah's slowdown hasn't preceded that of the urban areas.

Adding to the intrigue, it is not at all clear at this point if all of rural Utah would suffer the same level of pain in a potential downturn. The Uintah Basin may have any downturn softened by continued demand for oil and gas. On the other hand, southeastern counties may suffer from a slowdown in domestic tourism (international tourists will likely still come in droves thanks to the weak dollar.) In the Southwest some counties are actually experiencing an increase in job growth, just as the overall economy appears to be souring. Ultimately, the coming months will tell the story.

What is Rural Utah?

- Beaver County
- Box Elder County
- Carbon County
- Daggett County
- Duchesne County
- Emery County
- Garfield County
- Grand County
- Iron County
- Kane County
- Millard County
- Piute County
- Rich County
- San Juan County
- Sanpete County
- Sevier County
- Uintah County
- Wasatch County
- Wayne County

Urban Utah is a prominent consumer of **rural Utah's** goods and services.



Source: Utah Department of Workforce Services

Tea Leaf

One of the few no-brainers in the American economy today is the high value of education. An increasingly sophisticated economy demands that successful workers in nearly all employment sectors have the initial education and training to comprehend what is expected of them, as well as the ability to "learn-as-they-go" on the job. My tea-leaf reading tells me the disparity between the education "haves" and "have nots" will likely continue to widen.

Various measures of income suggest that college graduates make between 75 percent and 100 percent more than high school graduates. Such a relationship 25 years ago was closer to a 25 percent differential. Earnings of those with advanced degrees are even higher.

The correlation between higher levels of educational attainment and higher incomes was not always so clear. The first 60 years of the 20th century was a period when physical strength was as important as mental agility in many industries, including most within the manufacturing sector.

Extraordinary productivity gains in the manufacturing sector, combined with the powerful rise of the Information Age, have changed this prior dynamic forever. The greater use of automation, robotics, and powerful software has created the need for fewer workers even as manufacturing output climbs. This trend will only continue.

Educational attainment of Americans has grown sharply over the past century. One could argue that the enormous rise in educational attainment of the average American combines with the sharp rise in the average American lifespan as two of the most powerful developments of the past 100 years.

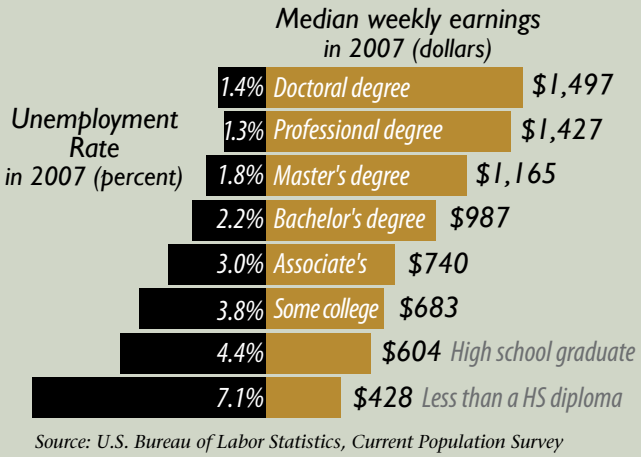
Workers in the nation's "blue collar" manufacturing sector were perhaps the most vulnerable to jobs lost to lower-production-cost locations over the past 25 years. More recently, job losses among higher educated people became center stage. The loss of white collar jobs to India of recent years has been significant, with many of these jobs in architecture, engineering, financial services, and research of all types.

Critics of American primary and secondary schools decry the poor educational skills of many young people leaving high schools today. Too many of these graduates simply do not possess the workplace skills of grammar, mathematics, and social interaction that contribute to being effective workers.

There is little argument that tens of thousands of young people leave public schools in the nation's inner cities and rural communities with severely limited skills to compete. Companies are forced to provide remedial instruction for new workers. Numerous communities around the nation have enjoyed major successes by putting local employers and educators in the same room to discuss and define the skills necessary for new labor force entrants to be successful.

The nation's community colleges and trade schools have seen their roles expand as the critical liaison between employers and students. As the American labor force becomes tighter and tighter, this community college/trade school role of matchmaker will become even more crucial.

The role of education is not simply to teach numbers, relationships, and theories to be regurgitated in testing



Source: U.S. Bureau of Labor Statistics, Current Population Survey

environments. Today's most effective high schools, colleges, universities and other purveyors of education help their students learn how to learn, which is something quite different.

Much of the world is chasing—and catching—the United States as far as educational attainment. While older working Americans still lead the world in average educational attainment, many younger workers around the world are matching or exceeding the education levels attained by American workers.

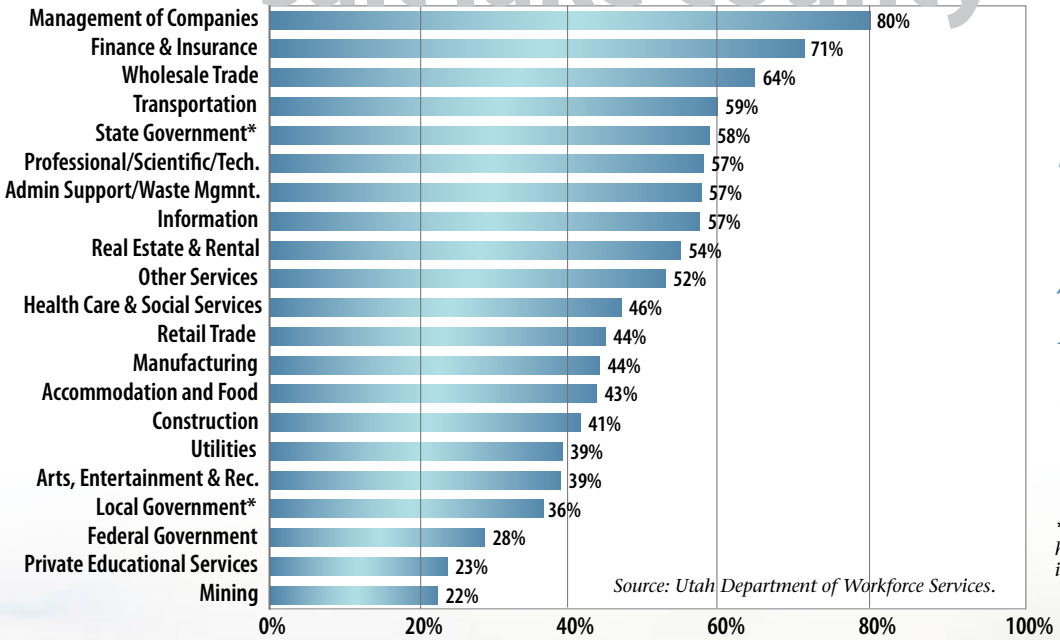
One of America's strengths is the quality and diversity of our higher learning institutions. American universities have also nurtured powerful connections between their institutions and the business world, with American universities earning substantial licensing fees and royalties each year. A rising number of state legislatures around the nation now routinely provide "seed money" to universities to develop and enhance such relationships.

One of America's higher education strengths is a lack of central control over these institutions, with most university funding having limited connection to taxes.

As an adjunct professor of finance at the University of Utah for 17 years, I would teach my students that a future employer really did not care what the student learned in my class or any other class. Gaining a degree from an accredited college or university said something about one's intelligence and maturity. A degree "got you in the door," where the employer would teach the student what the employer wanted them to know, and how to best use the information.

The disparity between the "haves" and "have nots" will likely widen...

salt lake county



Source: Utah Department of Workforce Services.

Share of 2007 Utah Payroll Jobs in Salt Lake County by Industry

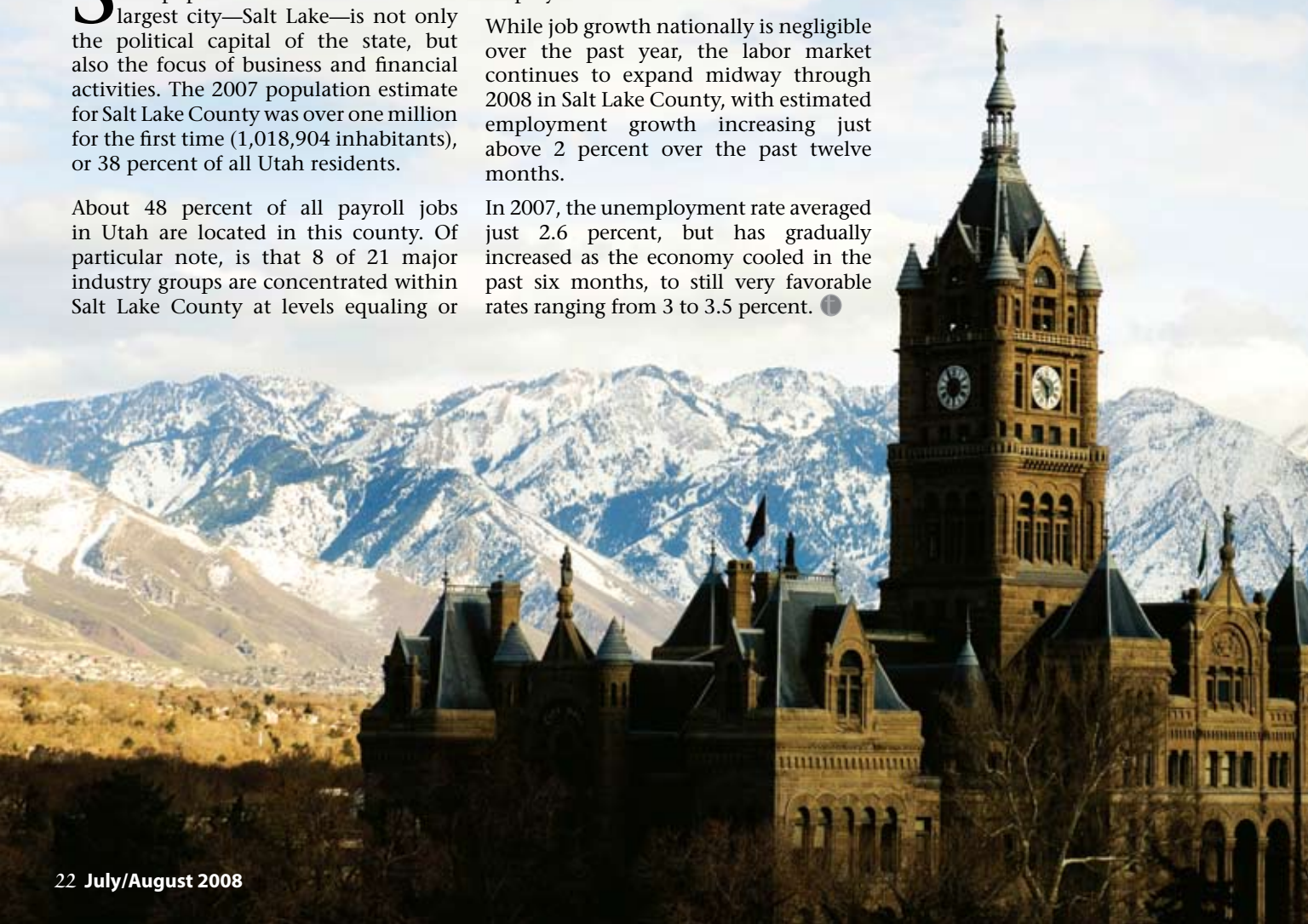
**State Government includes public higher education and Local Government includes public K-12 education.*

Salt Lake County is the economic and population center of Utah. Its largest city—Salt Lake—is not only the political capital of the state, but also the focus of business and financial activities. The 2007 population estimate for Salt Lake County was over one million for the first time (1,018,904 inhabitants), or 38 percent of all Utah residents.

About 48 percent of all payroll jobs in Utah are located in this county. Of particular note, is that 8 of 21 major industry groups are concentrated within Salt Lake County at levels equaling or exceeding 56 percent of the state's total employment for these industries.

While job growth nationally is negligible over the past year, the labor market continues to expand midway through 2008 in Salt Lake County, with estimated employment growth increasing just above 2 percent over the past twelve months.

In 2007, the unemployment rate averaged just 2.6 percent, but has gradually increased as the economy cooled in the past six months, to still very favorable rates ranging from 3 to 3.5 percent.



Incumbent Worker Training Grants

$2.7 Million to 19 Utah companies will help upgrade their employees' skills

Seventeen Utah companies and two consortiums will receive a portion of $2,748,133 for training skills upgrades for their workers through the Incumbent Worker Training Program (IWTP).

The IWTP is a partnership among the Utah Department of Workforce Services, the State Workforce Investment Board and business and industry. Funding for IWTP comes from the Adult and Dislocated Worker programs under the federally funded Workforce Investment Act.

The Incumbent Worker Training Program is designed to benefit business and industry by assisting existing employees' skill development thereby increasing employee productivity and company growth. It is expected to result in the creation of new jobs, the retention of jobs that otherwise may have been eliminated, and an increase in wages for the trained workers. Companies receiving the training grants are required to provide 50 percent matching funds for each trainee.

The long-term goal for this initiative is to create an infrastructure that provides training and education to enhance the skills of incumbent workers, increase the wages of workers through a career ladder, and positively impact the revenues of businesses by increasing their productivity in order to remain competitive in today's global economy.

Each year, the department and the State Workforce Investment Board will determine the funding level for the IWTP. Once it is determined funding is available, notification to employers occurs by posting an announcement on www.jobs.utah.gov and sending an announcement via email to all employers registered with the department.

More information on the Incumbent Worker Training Program is on the department's web site, jobs.utah.gov, and follow the link on the main menu.

Working Together to Create a World-Class Workforce

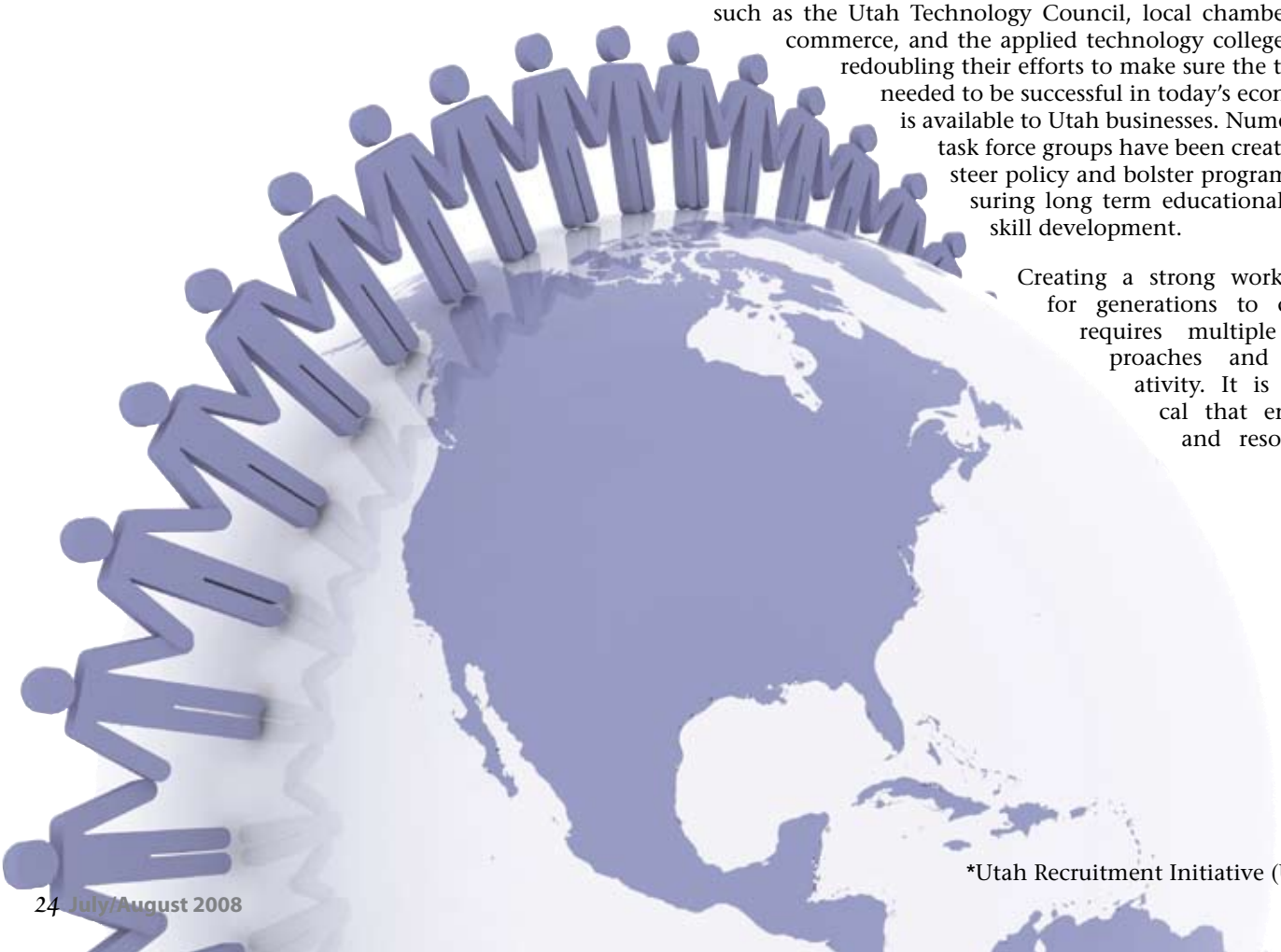
Creating a strong workforce for generations to come requires multiple approaches and creativity.

Speak to any business leader or economic development professional in the state, and the consensus is in: workforce development is one of the top economic development concerns in Utah. Nationally, the recruitment of top talent continues to remain strong.

Talent recruitment, talent retention and creating talent have become a few of several buzz words used to highlight this new focus. "Capturing the Creative Class" was recently featured in national trade magazine, B*usiness Facilities*. "Who Will Lead" was a feature story in the March 2008 issue of *Utah CEO* magazine. "Weathering the Perfect Storm, Utah's Tight Job Market Creates Turbulent Times for Needy Employers" recently ran in *Utah Business* magazine.

Today, many economic development groups including public, private, non-profit, and educational organizations that used to have as their major goal the creation of jobs and the attraction of capital are now shifting their focus to assure that qualified workers with the correct skill sets are readily available to fill positions, already created, that are essential to providing long-term economic growth. The Governor's Office of Economic Development (GOED), The Department of Workforce Services (DWS), and other groups such as the Utah Technology Council, local chambers of commerce, and the applied technology colleges are redoubling their efforts to make sure the talent needed to be successful in today's economy is available to Utah businesses. Numerous task force groups have been created to steer policy and bolster programs assuring long term educational and skill development.

Creating a strong workforce for generations to come requires multiple approaches and creativity. It is critical that energy and resources



*Utah Recruitment Initiative (URI)

UtahWorksForYou.com encourages workforce talent to submit a resume or apply for a position listed through one of our partners' sites such as jobs.utah.gov.

be dedicated to the educational pipeline that feeds into our economy. Students need to be attracted to the many high-growth industries which need a well-trained workforce, such as the aerospace industry and the composite materials industry that have seen unprecedented growth in our state over the last few years.

Just as we focus on refining what comes out of our educational pipeline, Utah companies are also working hard at recruiting individuals with the specific skill sets needed for their company's success today. Even in a slowing economy, Utah's unemployment rate of 3.1 percent still signals a need to actively hire workers in all fields. Utah's job growth rate of 2 percent compares favorably with the national average of .3 percent. Utah's economy is still growing, and the need to recruit quality talent continues to be more important than ever.

The necessity for all stakeholders to work together is greater today than it has ever been if Utah is going to continue to train and attract a highly skilled workforce to our state. The Department of Workforce Services has the largest database of available jobs in the state and has the ability to go out on the web and find potential applicants from all over the country to fill all types of positions, skilled or unskilled. Other groups such as the tourism office in the Governor's Office of Economic Development have promotional material and resources essential in attracting individuals to Utah's unparalleled quality of life.

Groups such as the Utah Technology Council and chambers of commerce have special connections with companies with specific workforce needs; and other groups, such as the applied technology colleges have resources to develop curriculum specific to positions that need to be filled today. Leveraging one another's resources and creating synergies as we work together will continue to be the key in strengthening Utah's economy and talent pipeline. Utah industry, along with government assistance, can continue to lead the nation if we do everything possible to recruit a quality workforce with every tool available.

Utah has the greatest workforce in the country, and as we work together, we can ensure that Utah's economy stays strong and dynamic for years to come.

What is the Health Coverage Tax Credit?

The Health Coverage Tax Credit (HCTC) is a federal program administered by the IRS that pay 65 percent of health care premiums for eligible individuals. Individuals must register with the IRS by phone or mail. Because registering with the IRS can take some time, Utah was awarded money to help you with your health care premium while you complete the registration process. You may be eligible for the Health Coverage Tax Credit if:

- You are receiving a Trade Readjustment Allowance (TRA), or will receive Trade Adjustment Assistance (TAA) benefits once your unemployment benefits are exhausted, or…
- You are receiving benefits under the Alternative Trade Adjustment Assistance (ATAA) program and you are at least 50 years of age, or…
- You are receiving benefits from the Pension Benefit Guaranty Corporation (PBGC) and you are at least 55 years old.

In addition to the eligibility requirements listed above, you must also have qualified health insurance. Qualified health plans include:

- COBRA continuation coverage, unless the employer or former employer pays at least 50 percent of the cost of coverage, or...
- Your spouse's coverage provided his or her employer pays less than 50 percent of the premium on a pre-tax basis, or...
- Individual health coverage, that you purchased at least 30 days prior to your last day of work, or...
- State Qualified Health Plans - IHC Health Plans is Utah's Qualified Health Plan. You can contact them by calling member services at 1-801-442-5038 (in Salt Lake City) or 1-800-538-5038 (mention you're interested in the HCTC program) or by visiting their web site at www.ihc.com.

To apply contact the Department of Workforce Services at 1-877-529-5578 (toll-free).

The web site full of resources Just for YOUth!

- **Employment**
- **Education**
- **Housing**
- **Finances**
- **Pregnancy and parenting**
- **Transportation**
- **and more!**

justforyouth.utah.gov

just the facts...

April 2008 Unemployment Rates		Changes From Last Year	
Utah Unemployment Rate	3.1 %	Up	0.6 points
U.S. Unemployment Rate	5.0 %	Up	0.5 points
Utah Nonfarm Jobs (000s)	1,271.1	Up	1.9 %
U.S. Nonfarm Jobs (000s)	137,745.0	Up	0.3 %
April 2008 Consumer Price Index Rates			
U.S. Consumer Price Index	214.8	Up	3.9%
U.S. Producer Price Index	176.7	Up	6.5 %

Source: Utah Department of Workforce Services

April 2008 Seasonally Adjusted Unemployment Rates

Beaver	3.1 %
Box Elder	3.2 %
Cache	2.4 %
Carbon	4.3 %
Daggett	3.8 %
Davis	3.0 %
Duchesne	3.0 %
Emery	3.6 %
Garfield	5.5 %
Grand	5.2 %
Iron	3.6 %
Juab	4.2 %
Kane	3.3 %
Millard	3.0 %
Morgan	3.1 %
Piute	2.3 %
Rich	2.3 %
Salt Lake	3.0 %
San Juan	6.0 %
Sanpete	3.9 %
Sevier	3.5 %
Summit	2.6 %
Tooele	3.4 %
Uintah	2.2 %
Utah	2.9 %
Wasatch	3.2 %
Washington	3.7 %
Wayne	5.2 %
Weber	3.6 %

Watch for these features in our

Next Issue:

Theme:
Trade, Transportation & Utilities

County Highlight:
Rich

Occupation:
Machinist

Check out these Utah careers with a future...

- *Healthcare—37,000 new jobs in Utah by 2012*
- *Construction—24,000 new jobs in Utah by 2012*
- *Automotive & Diesel Technology—jobs with an average wage of $16.57 per hour*
- *Advanced Composites—27,200 new manufacturing jobs between 2004 and 2014*
- *Biotechnology—technical careers based on biology, especially when used in agriculture, food science, and medicine*
- *Energy—exciting careers in the energy industry*

For more details go to jobs.utah.gov/careers

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Workforce Development and Information Division
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